

4 CAROL J. NELSON

5 Plaintiff,

6 vs.

7 | ALAN JONES; DOES 1-30,

8 Defendants.

9 ROBERT ALAN JONES,
a Nevada resident.

Counterclaimant

vs.

13 CAROL NELSON, a Hawaii
14 resident; MICHAEL CETRARO,
15 a Montana resident; CHARLES
16 HEAUKULANI, Esq., a Hawaii
resident; and ROBERT SHELBY
Esq., a Utah resident; MICHAEL
BILANZICH, a Utah resident,
and JEFFREY GROSS, Esq.,
a Utah resident.

18 Counterclaim
Defendants.

20 DEPOSITION OF ROBERT ALAN JONES

21 | Taken on Tuesday, July 2, 2002

22 At 9:10 a.m.

23 2300 West Sahara Avenue, Suite 770

24 Las Vegas, Nevada

25 REPORTED BY: Cynthia K. DuRivage, CSR No. 451

P's Exhibit 15

1 they are controlled or operated
2 with Michael Bilanzich as
3 principal thereof in law or
4 fact (hereinafter individually
5 and collectively, 'Sellers')
6 on the one hand..." and then it
7 goes on.

8 Did you come up with that language?

9 Is that your language?

10 A. I don't remember, but it's consistent
11 with what I would have done.

12 Q. And why would you have done that?

13 A. Because I couldn't figure out who
14 owned what in terms of actual title.

15 I may have provisioned -- this
16 language relates, I may have provisioned for the
17 execution of actual transfer documents with respect
18 to individual assets.

19 For example, there was a transfer
20 document with respect to the -- to the Honolulu
21 operation, which was in a separate corporation
22 owned by Mike.

23 There was a transfer document with
24 respect to the original store in Kainiliu, Kona,
25 Hawaii, which was owned by I didn't know whom.

1 Q. What was your understanding of the
2 purpose of providing for a bill of sale? Was that
3 for the contents of the condominium?

4 A. No.

5 Q. What was that for?

6 A. It was -- you can't transfer a real
7 estate interest without a written document in the
8 State of Hawaii, and real estate from Bilanzich to
9 me, I needed a separate conveyance document.

10 Q. Was it your understanding that you
11 needed something besides a quitclaim deed to
12 transfer title?

13 A. Title wasn't involved. Title was not
14 involved.

15 Q. Was it your understanding that you
16 needed something other than a quitclaim deed to
17 transfer whatever interest that Royal Aloha had in
18 the condominium?

19 A. Yes.

20 Q. What was the basis for that
21 understanding that something else was needed?

22 A. My general understanding of the law
23 of Hawaii.

24 Q. And that something else was a bill of
25 sale?

1 Aloha. I'm saying this wrong.

2 That Connie was talking about
3 unwinding the deal because BACH owned the
4 trademark, Royal Aloha was in bankruptcy, and they
5 had no further duty to Cetraro.

6 Cetraro was saying -- see, I don't
7 know what was said between them.

8 Q. I understand.

9 A. Cetraro was reporting this to me.

10 Q. How did that subject come up? Did
11 you bring up the subject of the condominium?

12 A. No. He brought it up.

13 To me, it was obvious that he was
14 feeling like he hadn't gotten what he had bargained
15 for or was not going to get what he had bargained
16 for because of the subsequent bankruptcy of Royal
17 Aloha, which occurred two years after he made --
18 he and Nelson made the deal with Bilanzich.

19 Q. Was there any discussion at that time
20 about transferring title to you or any of your
21 entities to the condominium?

22 A. First of all, there was never any
23 discussion about transferring title. You keep
24 using that. It's not only irrelevant; there was
25 never any discussion, ever, ever, ever.

1 Nelson until after the mortgage was paid off.

2 As a matter of fact, I even went that
3 summer to seek possible mortgage financing, and
4 we're talking about the summer of '99.

5 The very next thing that happened
6 was: In November, Bilanzich sent out a letter from
7 Royal Aloha stating that the bankruptcy court had
8 voided all the license agreements and that the
9 licensees would have a grace period to
10 December 31st within which to sign a new franchise
11 agreement with BACH.

12 Q. Before we get to that, I'm going to
13 back up because I want to make sure I understand
14 what you've told me.

15 A. Okay. No problem.

16 Q. Is it your testimony that during the
17 1998-1999 time frame, you had conversations with
18 Cetraro in which you discussed with him that the
19 next step with respect to the condominium would be
20 to do documentation between you or your entity and
21 Nelson by which title was either transferred to
22 your side, or there was an agreement of purchase
23 with title being transferred after the necessary
24 amounts were paid?

25 A. Yes.

1 discussions with?

2 A. I don't remember. We can figure it
3 out if we needed to, but I don't remember right
4 now.

5 Q. Did you ever enter into a listing
6 agreement?

7 A. No, I didn't enter into it. I didn't
8 have time to. My discussions were based on the
9 title being transferred to me.

10 Q. Have you ever had the condominium
11 appraised?

12 A. No. I had -- at the time that I was
13 talking to a real estate firm, I had them run comps
14 out of the computer, but I did not have an actual
15 appraisal done, no.

16 Q. And you have never had the
17 condominium appraised at any time?

18 A. Not up to now, I have not.

19 Q. Are you aware of any appraisals that
20 were commissioned by others, someone other than
21 yourself?

22 A. No.

23 Q. Do you currently have possession of
24 the condominium?

25 A. Yes.

1 Q. Since June of 1998, you have had --

2 A. I have been in continuous possession
3 of the condominium since June of 1998.

4 Q. That is to the exclusion of anyone
5 else having use of it, correct? For example,
6 Mr. Cetraro or Ms. Nelson?

7 A. Correct.

8 Q. Have you ever rented or leased the
9 condominium to anyone during the period in which
10 you had exclusive possession of the property?

11 A. No.

12 Q. Have you ever attempted to do it?

13 A. No.

14 Q. Have you been prevented by any
15 uncertainty as to ownership in entering into any
16 lease arrangement with anyone?

17 A. No. First, I don't think there's any
18 uncertainty as to ownership, but Mr. Cetraro is on
19 the board of directors of the association of the
20 condominium and has certain controls over the board
21 of directors, which include everything from parking
22 privileges to mailboxes to who they let in and who
23 they don't. And he has attempted to make life very
24 difficult for me during that time.

25 I wouldn't dare try to lease it to